General Terms and Conditions of Purchase

valid from 01.02.2025

§ 1 Validity of the conditions

1. Our General Terms and Conditions of Purchase (GPC) apply exclusively. These General Terms and Conditions of Purchase (GPC) apply to all business relationships with our suppliers ("Seller"). The GPC shall only apply if the Seller is an entrepreneur (Section 14 of the German Civil Code (BGB)), a legal entity under public law or a special fund under public law. These terms and conditions shall be deemed accepted at the latest upon acceptance or execution of the order.
2. The GPC apply in particular to contracts for the sale and/or delivery of movable Goods ("Goods"), irrespective of whether the Seller manufactures the Goods itself or purchases them from suppliers (Sections 433, 650 BGB). Unless otherwise agreed, the GPC in the version valid at the time of the order or in any case in the version last communicated to the Seller in text form shall also apply as a framework agreement for similar future contracts, without us having to refer to them again in each individual case. The current version is available at https://www.horst-brandstaetter-group.com/en/aeb
3. These GPC apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Seller shall only become part of the contract if and to the extent that we have expressly agreed to their validity in writing. This requirement of consent shall apply in any case, for example, even if the Seller refers to its General Terms and Conditions in the order confirmation and we do not expressly object to them.
4. Individual agreements (e.g. framework supply agreements, quality assurance agreements) and details in our order shall take precedence over the GPC. In case of doubt, commercial clauses shall be interpreted in accordance with the Incoterms® issued by the International Chamber of Commerce in Paris (ICC) in the version valid at the time of conclusion of the contract.
5. Legally relevant declarations and notifications by the Seller in relation to the contract (e.g. setting of deadlines, reminders, withdrawal) must be made in writing. Statutory formal requirements and further evidence, in particular in the event of doubts about the legitimacy of the declaring party, shall remain unaffected.
6. References to the validity of statutory provisions are for clarification purposes only. Even without such clarification, the statutory provisions shall therefore apply unless they are directly amended or expressly excluded in these GPC.

§ 2 Conclusion of contract

1. The relevant statutory provisions shall apply to the conclusion of the contract. Our applications/orders are subject to change.
2. Our order shall be deemed binding at the earliest upon confirmation. The Seller shall notify us of obvious errors (e.g. typing and calculation errors) and incompleteness of the order, including the order documents, for the purpose of correction or completion before acceptance; otherwise the contract shall be deemed not to have been concluded.
3. The Seller is obliged to confirm our order in writing within a period of 14 days/weeks or, in particular, to execute it without reservation by dispatching the Goods (acceptance)

§ 3 Prices and terms of payment

1. Unless expressly agreed otherwise, the agreed prices are binding fixed prices, unless the Seller generally reduces its prices. All prices are inclusive of statutory value added tax, unless this is shown separately. VAT shall be shown separately in the invoice to be issued by the Seller. Unless otherwise agreed in writing, the price includes delivery "free domicile" including packaging. We are entitled to return the packaging and are obliged to do so in the event of a special agreement.
2. If the price per unit of weight has been agreed for orders of plastic raw material as silo Goods, the moisture content shall not be taken into account when determining the total price.
3. Unless otherwise agreed in individual cases, the price shall include all services and ancillary services of the Seller (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transportation costs including any transportation and liability insurance).
4. If the Seller reserves the right to invoice at the current price, we must be notified of any price increase before our order is executed. If the increase amounts to more than 5% of the price valid on the day of the order, we shall be entitled to withdraw from the contract within two weeks of notification of the price increase. The Goods may only be dispatched after receipt of our declaration of consent to the new price or after expiry of the withdrawal period.
5. We can only process invoices if these - in accordance with the specifications in our order - state the order number, article number and item number shown there; the Seller is responsible for all consequences arising from non-compliance with this obligation, unless he can prove that he is not responsible for them.
6. Unless otherwise agreed, we shall pay the purchase price within 14 calendar days, calculated from complete delivery or performance and receipt of the invoice, with a 3% discount on the net amount of the invoice or net within 30 calendar days of receipt of the invoice. In the case of bank transfer, payment shall be deemed to have been made on time if our transfer order is received by our bank before expiry of the payment deadline; we shall not be responsible for delays caused by the banks involved in the payment process
7. We do not owe any interest on arrears. The statutory provisions shall apply to default in payment.
8. The Seller is not entitled to take out transport and cartage insurance at our expense.
9. We shall be entitled to rights of set-off and retention as well as the defense of non-performance of the contract to the extent permitted by law. In particular, we shall be entitled to withhold due payments as long as we are still entitled to claims against the Seller arising from incomplete or defective services.
10. The Seller shall only have a right of set-off or retention on the basis of legally established or undisputed counterclaims.

§ 4 Delivery time and delay in delivery

1. The delivery time stated in the order is binding.
2. The Seller is obliged to inform us immediately in writing if circumstances occur or become apparent to him which indicate that the agreed delivery time cannot be met.
3. If the Seller fails to perform or fails to perform within the agreed delivery period or is in default, our rights - in particular to rescission and damages - shall be determined in accordance with the statutory provisions. The provisions in paragraph 4 remain unaffected.
4. If the Seller is in default, we may - in addition to further statutory claims - demand lump-sum compensation for our damage caused by default in the amount of 1% of the net price per completed calendar week, but not more than 10% of the net price of the Goods delivered late in total. We reserve the right to prove that higher damages have been incurred. The Seller reserves the right to prove that no damage at all or only significantly less damage has been incurred. Further legal claims (withdrawal and compensation instead of fulfillment) remain reserved.

§ 5 Performance, delivery, transfer of risk, default of acceptance

1. Without our prior written consent, the Seller shall not be entitled to have the performance owed by it rendered by third parties (e.g. subcontractors). The Seller shall bear the procurement risk for its services unless otherwise agreed in individual cases (e.g. limitation to stock).
2. Delivery within Germany shall be "free domicile" to the place specified in the order. If the place of destination is not specified and nothing else has been agreed, delivery shall be made to our works in Dietenhofen. The respective place of destination is also the place of performance for the delivery and any subsequent performance (obligation to be performed at the creditor's domicile).
3. The delivery must be accompanied by a delivery bill stating the date (issue and dispatch), content of the delivery (order number, article number, item number and quantity) and our order identification (date and order number). If the delivery bill is missing or incomplete, we shall not be responsible for any resulting delays in processing and payment. A corresponding dispatch note with the same content must be sent to us separately from the delivery bill.
4. The risk of accidental loss and accidental deterioration of the Goods shall pass to us upon handover at the place of performance. If acceptance has been agreed, this shall be decisive for the transfer of risk. The statutory provisions of the law on contracts for work and services shall also apply accordingly in the event of acceptance.
5. The statutory provisions shall apply to the occurrence of our default of acceptance. However, the Seller must also expressly offer us its performance if a specific or determinable calendar time has been agreed for an action or cooperation on our part (e.g. provision of material). If we are in default of acceptance, the Seller may demand compensation for its additional expenses in accordance with the statutory provisions (Section 304 BGB). If the contract relates to a non-fungible item to be manufactured by the Seller (individual production), the Seller shall only be entitled to further rights if we have undertaken to cooperate and are responsible for the failure to cooperate.
6. In the case of delivery of Goods with preferential origin, the Seller's declaration on the customs origin of the Goods (Article 3 of Council Regulation (EC) No. 1207/2001) must be handed over to us at the latest upon delivery of the Goods. An information sheet INF 4 (Article of Council Regulation (EC) No. 1207/2001) must be made available to us on request. If the Seller does not fulfill these obligations or is in default with the fulfillment of these obligations, he shall be liable to us for all disadvantages arising from this in accordance with the statutory provisions.

§ 6 Defects, inspection of defects and liability for defects

1. The statutory provisions and, exclusively in our favor, the following supplements and clarifications shall apply to our rights in the event of material defects and defects of title of the Goods (including incorrect and short delivery as well as improper assembly/installation or defective instructions) and in the event of other breaches of duty by the Seller.
2. In accordance with the statutory provisions, the Seller shall be liable in particular for ensuring that the Goods have the agreed quality upon transfer of risk to us. In any case, those product descriptions which - in particular by designation or reference in our order - are the subject of the respective contract or have been included in the contract in the same way as these GPC shall be deemed to be an agreement on the quality. It makes no difference whether the product description originates from us, the Seller or the manufacturer.
3. The plastics and dyes, textiles and nonwovens, electronic components and all other raw materials, semi-finished parts and finished parts purchased by us are primarily intended for the manufacture of toys and these for sale to end consumers, namely children, as well as plant pots. Such Goods must not have any properties that make them unsuitable for this contractual purpose. In particular, they must not have any properties which result in the end products manufactured by us conflicting with the relevant harmonized standards for toys for which references have been published in the Official Journal of the European Communities.
4. If we repeatedly order Goods of the same type for further processing, the materials or parts from the subsequent deliveries must not differ from those from the previous deliveries with regard to all properties that may be significant for further processing. We must be notified immediately of any changes to the production, in particular to the raw materials used, the production process, the dimensions or the tools used. If changes in production at the Seller or its upstream suppliers lead to deviations in the properties essential for further processing by us and if we would therefore incur higher expenses in the event of further processing than in the case of Goods that do not deviate from the first deliveries, we shall be entitled to the statutory warranty rights for material defects.
5. If the Seller has provided information on the preferential origin of the Goods to be delivered prior to the conclusion of the contract, the preferential origin is part of the agreed quality. The Seller shall be liable in accordance with the statutory provisions for all disadvantages incurred by us as a result of incorrect information about a preferential origin characteristic.
6. If the moisture content exceeds 1% when ordering plastic raw material as silo Goods, the delivery is defective.
7. The statutory provisions (§§ 377, 381 HGB) shall apply to the commercial obligation to inspect and give notice of defects with the following proviso: Our obligation to inspect shall be limited to defects which become apparent during our incoming Goods inspection under external examination including the delivery documents (e.g. transport damage, incorrect and short delivery) or which are recognizable during our quality control in the random sampling procedure. If acceptance has been agreed, there is no obligation to inspect. Otherwise, it depends on the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case. Our obligation to give notice of defects discovered later remains unaffected. Notwithstanding our duty to inspect, our complaint (notification of defects) shall in any case be deemed to be immediate and timely if it is sent within 5 working days (Monday - Friday) of discovery or, in the case of obvious defects, of delivery.
8. We are not obliged to inspect the Goods or make special inquiries about any defects when the contract is concluded. Partially deviating from § 442 para. 1 sentence 2 BGB, we are therefore entitled to claims for defects without restriction even if the defect remained unknown to us upon conclusion of the contract due to gross negligence.

9. Subsequent performance shall also include the removal of the defective Goods and reinstallation, provided that the Goods were installed in another item or attached to another item in accordance with their nature and intended use before the defect became apparent; our statutory claim for reimbursement of corresponding expenses (removal and installation costs) shall remain unaffected. The expenses required for the purpose of inspection and subsequent performance, in particular transport, travel, labor and material costs as well as any dismantling and installation costs, shall be borne by the Seller even if it turns out that there was actually no defect. Our liability for damages in the event of unjustified requests to remedy defects shall remain unaffected; however, we shall only be liable in this respect if we recognized or were grossly negligent in not recognizing that there was no defect.

10. Notwithstanding our statutory rights and the provisions in in this paragraph, the following shall apply: If the Seller does not fulfill its obligation to provide subsequent performance - at our discretion by remedying the defect (rectification) or by delivering a defect-free item (replacement delivery) - within a reasonable period of time set by us, we may remedy the defect ourselves and demand compensation from the Seller for the expenses required for this or a corresponding advance payment. If subsequent performance by the Seller has failed or is unreasonable for us (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline need be set; we shall inform the Seller of such circumstances immediately, if possible in advance. We shall be entitled to remedy the defect ourselves at the Seller's expense if there is imminent danger or particular urgency.

11. Otherwise, in the event of a material defect or defect of title, we shall be entitled to reduce the purchase price or withdraw from the contract in accordance with the statutory provisions. In addition, we shall be entitled to compensation for damages and expenses in accordance with the statutory provisions.

§ 7 Confidentiality and retention of title

1. We reserve ownership rights and copyrights to illustrations, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents shall be used exclusively for the contractual performance and shall be returned to us after completion of the contract. The documents must be kept secret from third parties, even after termination of the contract. The confidentiality obligation shall only expire if and to the extent that the knowledge contained in the documents provided has become generally known. Special confidentiality agreements and statutory provisions on the protection of secrets shall remain unaffected.

2. The above provision shall apply accordingly to substances and materials (e.g. software, finished and semi-finished products) as well as to tools, templates, samples and other items that we provide to the Seller for production. Such items shall - as long as they are not processed - be stored separately at the Seller's expense and insured to an appropriate extent against destruction and loss.

3. The transfer of ownership of the Goods to us must take place unconditionally and without regard to the payment of the price. If, however, in individual cases we accept an offer of the Seller to transfer ownership conditional on payment of the purchase price, the Seller's retention of title shall expire at the latest upon payment of the purchase price for the delivered Goods. We remain authorized to resell the Goods in the ordinary course of business even before payment of the purchase price with advance assignment of the resulting claim (alternatively validity of the simple reservation of title extended to the resale). This excludes all other forms of retention of title, in particular the extended retention of title, the forwarded retention of title and the retention of title extended to further processing.

§ 8 Retention of title to items provided

1. If we provide items to the Seller, we reserve the right of ownership to these.

2. If an item provided by us is combined with an item of the Seller or a third party, we shall acquire co-ownership of the item created by the combination even if the item of the Seller or the third party is to be regarded as the main item. This shall apply accordingly in the event of mixing.

3. Any processing or transformation by the Seller shall be carried out on our behalf.

4. The Seller is obliged to keep all illustrations, drawings, calculations and other information received strictly confidential. They may only be disclosed to third parties with our express consent. The confidentiality obligation shall also apply after the completion of this contract. It shall expire if the information concerned has become generally known.

§ 9 Supplier recourse

1. Our statutory claims for expenses and recourse within a supply chain (supplier recourse pursuant to Sections 478, 445a, 445b or Sections 445c, 327 (5), 327u BGB) shall accrue to us without restriction in addition to the claims for defects. In particular, we are entitled to demand exactly the type of subsequent performance (rectification or replacement delivery) from the Seller that we owe our customer in the individual case; in the case of Goods with digital elements or other digital content, this also applies with regard to the provision of necessary updates. Our statutory right to choose (Section 439 (1) BGB) is not restricted by this.

2. Before we acknowledge or fulfill a claim for defects asserted by our customer (including reimbursement of expenses pursuant to §§ 445a para. 1, 439 para. 2, 3, 6 sentence 2, 475 para. 4 BGB), we shall notify the Seller and request a written statement, briefly explaining the facts of the case. If a substantiated statement is not made within a reasonable period of time and no amicable solution is reached, the claim for defects actually granted by us shall be deemed to be owed to our customer. In this case, the Seller shall be responsible for providing evidence to the contrary.

3. Our claims arising from supplier recourse shall also apply if the defective Goods have been combined with another product or further processed in any other way by us, our customer or a third party, e.g. by installation, attachment or installation.

§ 10 Product liability - Indemnification - Liability insurance cover

1. Insofar as the Seller is responsible for product damage, he shall be obliged to indemnify us against claims for damages by third parties upon first request if the cause lies within his sphere of control and organization and he himself is liable in relation to third parties. Furthermore, the Seller is obliged to reimburse any expenses in accordance with §§ 683, 670 BGB and §§ 830, 840, 426 BGB, which arise from or in connection with a claim by third parties, including recall actions carried out by us. As far as possible and reasonable, we shall inform the Seller of the content and scope of the recall measures to be carried out and give him the opportunity to comment. Other statutory claims remain unaffected.

2. The Seller undertakes to maintain product liability insurance with a lump sum cover of EUR 10 million per personal injury/property damage; if we are entitled to further

claims for damages, these shall remain unaffected.

§ 11 Property rights

1. The Seller guarantees that no rights of third parties are infringed in connection with his delivery and with the intended use.
2. If claims are asserted against us by a third party for this reason, the Seller shall be obliged to indemnify us against these claims upon first written request; we shall not be entitled to make any agreements with the third party - without the Seller's consent - in particular to conclude a settlement.
3. The Seller's obligation to indemnify relates to all expenses necessarily incurred by us from or in connection with the claim by a third party.
4. The limitation period for these claims is ten years, calculated from the conclusion of the contract.

§ 12 Statute of limitations

1. The reciprocal claims of the contracting parties shall become time-barred in accordance with the statutory provisions, unless otherwise stipulated below.
2. Notwithstanding § 438 Para. 1 No. 3 BGB, the general limitation period for claims for defects is 3 years from the transfer of risk. If acceptance has been agreed, the limitation period shall commence upon acceptance. The 3-year limitation period shall also apply accordingly to claims arising from defects of title, whereby the statutory limitation period for third-party claims for restitution in rem (Section 438 (1) No. 1 BGB) shall remain unaffected; claims arising from defects of title shall in no case become time-barred as long as the third party can still assert the right against us - in particular in the absence of a limitation period.
3. The limitation periods under sales law, including the above extension, shall apply - to the extent permitted by law - to all contractual claims for defects. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (§§ 195, 199 BGB) shall apply, unless the application of the limitation periods of the law on sales leads to a longer limitation period in individual cases.

§ 13 Compliance

1. The Seller, its employees and subcontractors shall comply with all national and international laws and regulations, in particular tax and antitrust laws, laws to combat bribery and money laundering, and criminal laws. The Seller shall fulfill the requirements and regulations of our Code of Conduct for geobra suppliers, which can be found at the following link (https://sustainability.horst-brandstaetter-group.com/corporate-responsibility/compliance). The current version available at the above link shall apply. In addition, the Seller is obliged to register free of charge with the IntegrityNext platform at the request of the platform operator IntegrityNext or us and to answer all questions asked there and to provide all requested documents.

2. According to the Supply Chain Act that came into force on January 1, 2023, we may audit all measures taken to prevent or mitigate risk once a year to ensure compliance with the requirements of this Act. We will bear the costs of the audits we initiate. If subsequent audits are necessary due to deficiencies or violations, the Seller shall bear the costs of these. The Seller shall provide its employees with a protected mechanism for reporting possible violations of the principles of this law. The Seller is responsible for compliance with this law within its supply network and must ensure and verify this.

3. In the event of actual indications of a violation of the regulations according to this paragraph 13, the Seller shall provide us with all necessary information and disclosures at our request and shall enable us, after reasonable advance notice, to conduct on-site inspections or audits of its operations so that we can check the Seller's compliance with the regulations according to this paragraph 13. We may also commission a third party (e.g. an auditor) that is subject to a duty of confidentiality to carry out this audit. The Seller's data protection regulations and business and trade secrets will be protected. We shall bear the costs of the audits we initiate in which the actual indications of a violation of the provisions of this Section 13 are not confirmed. If subsequent audits are necessary due to defects or violations, the Seller shall bear the costs thereof. Rights of inspection under other provisions remain unaffected.

4. A violation of the provisions of this Section 13 shall in particular entitle us to set the Seller a reasonable deadline for remedying the violation and, after unsuccessful expiry of the deadline, to withdraw from or terminate all contracts. Setting a deadline is not necessary if the violation of the provisions of this Section 13 is a very serious one. A very serious breach may, in particular, be deemed to have occurred in the event of a breach of protected legal interests under the Act on Corporate Due Diligence in Supply Chains or in the event of other breaches of human rights provisions. In the event of such a withdrawal or termination, we shall not be obliged to compensate the Seller for any damages arising from the withdrawal or termination.

§ 14 Applicable law, place of performance, place of jurisdiction

1. The law of the Federal Republic of Germany shall apply to these GPC and the entire legal relationship between us and the Seller to the exclusion of the UN Convention on Contracts for the International Sale of Goods.
2. Customs duties and taxes which become due as a result of export from the Seller's country of origin and as a result of import into the Federal Republic of Germany shall be borne by the Seller.
3. If the Seller is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - also international - place of jurisdiction for all disputes arising from the contractual relationship shall be our registered office in Fürth, Bavaria, Germany. The same applies if the Seller is an entrepreneur within the meaning of § 14 BGB. However, in all cases we shall also be entitled to bring an action at the place of performance of the delivery obligation in accordance with these GPC or an overriding individual agreement or at the Seller's general place of jurisdiction. Overriding statutory provisions, in particular regarding exclusive jurisdiction, shall remain unaffected.